# GOVERNMENT OF INDIA
# PETROLEUM AND NATURAL GAS
# LOK SABHA

UNSTARRED QUESTION NO:5226
ANSWERED ON:21.12.2000
OCC CALCULATIONS FOR PRE-TAX RETURN
PRABHUNATH SINGH

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

(a) whether Oil Coordination Committee (OCC) calculated the retention price allowing 23.10 per cent pre-tax return instead of 12% post-tax return without verifying the actual payment;

(b) if so, whether the verification of actual tax paid disclosed on over-payment of at least Rs.2154.75 cr. to oil companies during 1993-98;

(c) if so, the reasons for making such excess payment to oil companies;

(d) whether there is any proposal to recover the amount from those companies apart from taking action against the delinquent officials; and

(e) if so, the details thereof?

## Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a): The Oil Coordination Committee (OCC) has allowed a rate of return on net worth @ 12% post tax together with interest on borrowings on the basis of Government decisions dated 23rd October, 1986 on the Oil Cost Review Committee (OCRC) recommendations. The decision that the rate of return on net worth is to be allowed at 12% grossed up at the prevailing rate of corporate tax was reconfirmed in 1996 by the Government.

(b) to (e): Do not arise in view of (a) above.